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March 21, 1997

BY HAND DELIVERY
Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, DC 20554

Re: MM Docket No. 94-150
Review of the Commission's Regulations Governing
Attribution of Broadcast and Cable/MDS Interests

Dear Mr. Caton:

Transmitted herewith on behalf of Pappas Stations Partnership, are an original and four copies of its reply comments filed in connection with the *Further Notice of Proposed Rule Making*, FCC 96-436 (released November 7, 1996), in the above-referenced proceeding.

Should any questions arise concerning this matter, please communicate directly with this office.

Very truly yours,

Andrew S. Kersting
Counsel for
Pappas Stations Partnership

Enclosures

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BEFORE THE

Federal Communications Commission

WASHINGTON, D.C. 20554

In the Matter of	)	
	)	
Review of the Commission's	)	MM Docket No. 94-150
Regulations Governing Attribution	)	
of Broadcast and Cable/MDS Interests	)	

To: The Secretary

REPLY COMMENTS OF
PAPPAS STATIONS PARTNERSHIP

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March 21, 1997

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SUMMARY

The proposed "equity or debt plus" attribution rule should not be adopted. The proposed attribution rule is over-inclusive because it would prohibit passive investors from holding nonattributable interests, as well as preclude the substantial public interest benefits provided by LMAs. The rule also would greatly restrict the flow of capital to broadcast entities, particularly to small and minority-owned businesses, and have a substantial adverse effect on diversity, competition, and the conversion to digital television.

Nevertheless, in the event the Commission elects to adopt its proposed attribution rule in some form, existing financial arrangements must be grandfathered to prevent the grave injustice that would be imposed upon those licensees who would be forced to restructure their financial arrangements or potentially lose their station.

Moreover, the Commission should not regard LMAs as attributable media interests without substantially relaxing its television duopoly rule and/or making LMAs an exception to the duopoly rule. Consistent with Congressional intent, the Commission also should grandfather all existing LMAs and permit their renewal and transfer without limitation.

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To: The Secretary

REPLY COMMENTS OF PAPPAS STATIONS PARTNERSHIP

Pappas Stations Partnership ("Pappas")[1] hereby submits these reply comments in connection with the Commission's *Further Notice of Proposed Rule Making*, FCC 96-436 (released November 7, 1996) ("*Further Notice*"), in the above-captioned proceeding.

I. The Commission Should Not Adopt Its Proposed "Equity or Debt Plus" Attribution Rule.

A. There Is No Factual Basis For the Proposed Attribution Rule.

There is no Commission finding in this proceeding -- nor does the record support one -- that, standing alone, the financial arrangements arousing the Commission's concern have resulted in an unauthorized transfer of control of any broadcast station. There also is no specific evidence of systemic abuse of financial relationships to exercise influence over broadcast outlets.

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[1] As noted in the Comments of Pappas Stations Partnership, MM Docket No. 94-150 (filed February 7, 1997), Pappas Stations Partnership, through affiliated entities, currently is the licensee of seven full-power television stations, two radio stations, two separately-programmed LPTV stations (affiliated with Univision and Fox, respectively), and is a party to six LMAs. For ease of reference, the affiliated entities also will be referred to herein as "Pappas."

It is well established that the Commission must do more than "posit the existence of the disease sought to be cured."[2] Instead, the Commission must make reasonable findings of actual harm based on the record evidence before it.[3] The record in this proceeding provides no factual basis for the Commission to adopt the presumption that every entity that falls within a specified "triggering category", and which also holds a collective 33% equity and/or debt interest (or any other arbitrarily-specified interest) in a broadcast station, either has or will exert attributable influence over that station. Indeed, the Commission proposed its "equity or debt plus" attribution rule solely "on the *assumption* that the degree of contractual rights an investor *may* hold is *typically* related to the level of his investment."[4] Therefore, because there is no factual predicate for the Commission's proposal to adopt a bright-line test for analyzing financial arrangements, the proposed "equity or debt plus" attribution rule should not be adopted.

B. The Proposed Attribution Rule Sweeps Far Too Broadly and Would Prohibit Passive Investors From Holding Nonattributable Interests.

As suggested in its *Further Notice* (*see* ¶25), in those cases involving a current nonattributable interest that raises control questions, the Commission should continue to make attribution decisions by reviewing the specific contractual language that governs the financing

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[2] *Quincy Cable TV, Inc. v. FCC*, 768 F.2d 1434, 1455 (D.C. Cir. 1985).

[3] *See Arizona Public Service Commission v. U.S.*, 742 F. 2d 644, 649, n. 2 (D.C. Cir. 1984) ("[M]ere conjecture and abstract theorizing offered in a vacuum are inadequate to satisfy us that the agency has engaged in reasoned decisionmaking"); *Bethlehem Steel Corp. v. U.S. Environmental Protection Agency*, 638 F. 2d 994, 1004 (7th Cir. 1980) ("The record or agency decision must demonstrate and reflect the existence by the Administrator of 'reasoned discretion' and not simply manifest a 'crystal ball inquiry'").

[4] *Further Notice* at ¶25 (emphasis added).

relationship and other factual elements concerning the arrangement. The mechanisms the Commission has employed in the past have worked,[5] and they should not be abandoned in favor of a blunderbuss approach *presuming* abuse. As demonstrated below, the "equity or debt plus" proposal should not be adopted because it sweeps far too broadly and would encompass mere passive investments in which the investing party has no intention of attempting to influence the programming decisions of the subject station.[6]

Viacom urges the Commission to adopt a stricter version of its attribution rule.[7] Viacom contends that, by heavily financing stations in return for an affiliation, networks have been permitted to significantly extend their ownership and influence in stations beyond their owned and operated stations. Viacom further claims that the proposed 33% benchmark is much too liberal because it would allow a network or other programmer (such as an LMA broker) to escape attribution.[8] Consequently, Viacom proposes that the appropriate attribution benchmark should be set at 10%, rather than 33%, in those instances where an investor is not contractually precluded from influencing either (i) a station's program selections; (ii) its hiring of personnel who make programming decisions; or (iii) a station's budget. Viacom contends that investors who hold 10% or more of the capitalization of a station and who are not contractually precluded from the above aspects of station operation are in a position to wield "significant influence", and, therefore, should

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[5] *See, e.g., Roy M. Speer*, FCC 96-258 (released June 14, 1996).

[6] Conversely, the FCC has acknowledged that there is no guarantee its proposed attribution rule would even cover the very relationships which have aroused the Commission's concerns. *Further Notice* at ¶25.

[7] Comments of Viacom, Inc., MM Docket No. 94-150 (filed February 7, 1997) ("Viacom"), pp. 3, 7-8.

[8] *Id.* at 6, 8.

be regarded as holding an attributable interest.[9] Where participation in the above station matters is contractually precluded, Viacom proposes that the investment benchmark should be as high as 33%.[10]

Viacom's proposal would automatically subject both networks and same-market broadcasters to a strict 10% voting interest limit and/or 10% capitalization benchmark.[11] The proposed attribution rule would apply in all instances except where a brokered station in an LMA affiliates with a new network, or is either a failing or failed new station.[12]

Viacom's proposal is far more unreasonable and unjustified than the Commission's because it would place even greater restrictions on financial arrangements, including mere passive investments. Its adoption would gravely undermine the flow of capital to smaller television operators. As noted in Pappas' comments,[13] Pappas currently is providing a majority of the programming on Stations KHGI-TV, Kearney, and KWNB-TV, Hayes Center, Nebraska, pursuant to separate LMAs pending the Commission's grant of a proposed assignment of these stations. The Omaha World-Herald ("Herald"), which owns a daily newspaper in Kearney, will provide 100% of the financing for the purchase of Stations KHGI-TV and KWNB-TV in the form of debt. The Herald has been, and will continue to be, a completely passive investor. It has not attempted to exert *any* control over the broker's operations, programming, or personnel decisions. Nevertheless, this

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[9] *Id.* at 3, 7-8.

[10] *Id.* at 3.

[11] *Id.* at 10.

[12] *Id.* at 14.

[13] Comments of Pappas Stations Partnership, MM Docket No. 94-150 (filed February 7, 1997) ("Pappas") at 4-5.

financial arrangement would be precluded by Viacom's proposed attribution rule because the Herald will hold substantially more than a 10% (or 33%) debt interest in the stations.

As a further example, Harry J. Pappas previously loaned funds in an amount greater than Viacom's proposed 10% (or the FCC's 33%) limit to a close relative and the licensee of a radio station in the Sacramento market which was in financial trouble. Pappas is the licensee of Station KPWB(TV), Sacramento, and was at the time Mr. Pappas provided funding to the radio station. The station would not have survived without Mr. Pappas' intervention, and other funding sources were unavailable. Although the investment has always been completely passive, this loan also would have been precluded by Viacom's proposed attribution rule because Pappas fell within the category of a "same-market broadcaster", and Mr. Pappas greatly exceeded the 10% equity/debt threshold limit proposed by Viacom. Thus, the attribution rule proposed by Viacom would have ensured the station's demise even though Mr. Pappas never attempted to exert any influence over the station's programming.

Viacom's proposal also would effectively preclude many of the substantial public interest benefits provided by LMAs because of the uncertainty regarding whether a contemplated financial arrangement would result in attribution. For example, Pappas is the licensee of Station WASV-TV, Asheville, North Carolina, which is brokering its time under an LMA to the licensee of Station WSPA-TV, Spartanburg, South Carolina. Pappas has returned WASV-TV to the air, but has been forced to operate the station with far less than maximum facilities. Nevertheless, through funds provided under the LMA, Pappas has entered into a lease with WSPA-TV which will enable it to move to a substantially taller tower and utilize a new transmitter that will permit WASV-TV to increase its technical facilities such that it will be able to provide competitive coverage to the

Greenville-Spartanburg market.[14] In addition, WASV-TV has purchased competitive syndicated programming and soon will become a WB affiliate.

The substantial public interest benefits outlined above likely would be precluded by Viacom's proposed *per se* attribution rule because the LMA involves same-market broadcasters.[15] Although Viacom has proposed an exception to its *per se* rule where a brokered station is either affiliated with a new network, or is a failed or failing station at the "time of evaluation," Viacom also has proposed that broadcasters involved in an LMA would be required to "comply with the new rules after the shorter of five years or the termination date of the current LMA term."[16] Thus, Viacom's proposal would permit existing LMAs (such as WASV-TV's) to continue for the prescribed period, at which time the arrangement would then be evaluated to determine whether the brokered station qualified for an exception to the *per se* rule. Viacom's proposal would greatly restrict any new LMAs from being entered into, however, because of the uncertainty regarding whether the LMA would continue to qualify for an exception to the *per se* rule long enough for the brokering station to recoup its investment.

For example, although WASV-TV was off the air at the time Pappas acquired the station, it has been operating pursuant to the LMA for some time, and, thus, presumably could no longer qualify for the failed or failing station exception. Moreover, although WASV-TV soon will become

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[14] The Greenville-Spartanburg-Asheville-Anderson market is the 35th ranked television market. *Broadcasting & Cable Yearbook 1996*, p. C-239.

[15] Where two stations in the same market enter into an LMA, Viacom proposes a *per se* attribution rule whereby the intra-market LMA is sufficient by itself to create a cognizable interest in the brokered station regardless of the level of financial investment. Viacom at 14.

[16] Viacom at 14.

affiliated with a "new network" (*i.e.*, WB), affiliation agreements with new networks generally are short in duration (*e.g.*, three to five years). If WASV-TV were to lose its affiliation with the "new network" after three years, it no longer would qualify for the exception to Viacom's proposed *per se* rule, and the parties presumably would be forced to terminate the LMA because the brokered station would then be attributable to the broker. The risk that a brokered station would not continue to qualify for the "new network" exception to the *per se* attribution rule for a sufficient period of time to permit the brokering station to recoup its investment is so great that few broadcasters would be willing to invest the sums necessary to produce the substantial public interest benefits resulting from LMAs like the one between WASV-TV and WSPA-TV.

The financial relationships outlined above are merely three examples of the types of arrangements that would be precluded by Viacom's proposed attribution rule. These real-world examples demonstrate that the strict "equity or debt plus" attribution rule proposed by Viacom (as well as that of the Commission) should not be adopted because it is over-inclusive. Not only would it prohibit mere passive investment, which is critical to a the survival of many broadcast stations, but it also would preclude many of the substantial public interest benefits provided through LMAs.

C. The Proposed Attribution Rule Would Inhibit the Flow of Capital to the Broadcast Industry and Have a Significant Impact Upon the Conversion to Digital Television.

The strict "equity or debt plus" attribution rule proposed by Viacom (as well as that proposed by the Commission) would greatly inhibit the flow of capital to broadcasters by preventing networks and other telecommunications companies from providing necessary financing. Viacom contends, however, that its proposed attribution benchmark will not jeopardize the availability of capital to broadcast stations because, if a network or broadcaster decides against making a potential investment in a station due to attribution concerns, this would constitute:

> . . . clear evidence that the reason for the investment would have in fact been to influence the programming and core operational aspects of an otherwise independent broadcaster, resulting in a diminution of diversity and increased industry concentration . . . .[17]

Viacom is wrong. As demonstrated above, the Omaha World-Herald's financing of Pappas' purchase of Stations KHGI-TV, Kearney, and KWNB-TV, Hayes Center, Nebraska, and Mr. Pappas' loan to a close relative and licensee of a Sacramento market radio station, are examples of purely passive investments where the financier has absolutely no intention of influencing the "programming or core operational aspects" of the station. Moreover, although the intra-market LMA between Stations WASV-TV and WSPA-TV would be subject to Viacom's *per se* attribution rule absent a continuing exception, the facts that the LMA has resulted in (i) returning a dark station to the air; (ii) enhanced technical facilities for WASV-TV such that the station soon will provide competitive coverage to the Greenville-Spartanburg market; (iii) expanded programming, *i.e.*, competitive syndicated programming, which soon is to be augmented by WB's children's and family programming, including FCC-friendly children's programming; and (iv) soon will provide an additional outlet for an emerging new network;[18] all demonstrate that the financial arrangement between WASV-TV and WSPA-TV promotes, rather than diminishes, diversity and competition in the Greenville-Spartanburg DMA.

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[17] Viacom at 15.

[18] The fact that WASV-TV will become a WB affiliate is significant in itself because it has enabled WB to gain an additional broadcast outlet in a top 50 market that it otherwise would not have had without the LMA. As the Commission is well aware, gaining distribution is critical to the survival of an emerging new network such as WB.

The lack of financing that would result from the attribution rules proposed by Viacom and the Commission will hinder existing broadcast service by precluding stations from enhancing their current technical facilities and/or expanding their programming to provide more news and public affairs programs. It also would have a significant impact upon the ability of many broadcasters to convert to digital television, which the Commission has acknowledged will be costly.[19] Moreover, due to the limited funding currently available for small or marginal broadcasters, the result of such an attribution rule likely will be that stations which currently are facing financial difficulties may go dark and lose their license.[20] The lack of available financing also is likely to have a disproportionate impact on small and minority-owned businesses which traditionally have greater difficulty obtaining financing. Therefore, the attribution rules proposed by Viacom and the Commission should not be adopted because they would have an adverse effect on diversity and competition in broadcast markets.

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[19] *Further Notice* at ¶21. Despite the Chairman's recent statements advocating a swift conversion to DTV, the Commission must recognize that broadcasters are going to have a very difficult time obtaining financing to construct new digital facilities. Indeed, few lenders are going to provide the necessary funding when there currently is no audience for the new digital signal, and, thus, no advertising market in which to generate revenues.

[20] Section 403(l) of the Telecommunications Act of 1996 provides that any station which remains silent for 12 consecutive months shall lose its license. 47 U.S.C. §312(g). Thus, if marginal stations are unable to obtain necessary financing or enter into an LMA within one year as result of a change in the attribution rules, it is not at all unlikely that they may lose their license.

II. LMAs Provide Substantial Public Interest Benefits, and Therefore Should Not Be Regarded as Attributable Media Interests Unless the Commission Substantially Relaxes the Television Duopoly Rule.

Viacom, BET, and Centennial Communications all take the position that LMAs should be attributable.[21] BET claims that LMAs provide the opportunity for broadcasters to exert "considerable control" over brokered stations. BET further states that non-attribution of LMAs would continue to allow increased control and influence over television stations by group owners, thereby permitting these entities to evade the national and local ownership restrictions.[22] Centennial claims there is no material distinction between control of a television station through ownership or an LMA, and that if the FCC were to continue to ignore LMAs for attribution purposes, it would serve only to foster mergers with potential adverse impacts upon competition and diversity.[23] These commentors also wish to place arbitrary time limits on grandfathered LMAs.[24]

The views of BET and Centennial notwithstanding, there has been no evidence submitted in this proceeding to even suggest that any LMA has resulted in an abuse of market power. Moreover, because LMAs typically involve a weaker UHF station as opposed to market-dominant VHF stations, they typically enhance, rather than restrict, competition in a local market. An example of this result is illustrated in the LMA between Stations KPTM(TV) and KXVO(TV), Omaha, Nebraska.[25]

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[21] Viacom at 14; BET at 5; Comments of Centennial Communications, Inc., MM Docket No. 94-150 (filed February 7, 1997) ("Centennial"), pp. 1-2, 6.

[22] BET at 5.

[23] Centennial at 4.

[24] *See, e.g.*, Viacom at 14, citing Comments of Viacom, Inc., MM Docket No. 91-221 (filed February 7, 1997), p. 10; BET at 7; Centennial at 8.

[25] Pappas is the licensee of Station KPTM. Although a construction permit was issued (continued...)

Station KXVO went on the air on June 12, 1995. Prior to that time, KPTM had a sign-on/sign-off audience share of either 10 or 11. Since KXVO went on the air, however, KPTM's share has dropped to an 8, and KXVO's has been a 4.[26] This change in KPTM's audience share as a result of the operation of KXVO is significant because it demonstrates that, in addition to the substantial public interest benefits previously noted, the LMA actually *enhanced* competition in the market to the detriment of the brokering station. This result directly contradicts what many commentors in this proceeding would have the Commission believe -- that stations involved in an LMA operate in unison, in an anti-competitive manner, to the detriment of only the other stations in the market. The LMA between KPTM and KXVO clearly demonstrates that the stations have operated independently, and that the brokering station is just as likely be affected by the additional competition as any other station in the market.[27]

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[25](...continued)
for KXVO, the station remained unbuilt for many years. Station KPTM entered into an LMA with KXVO which enabled the new start-up station to get on the air in June 1995. The stations air completely separate programming. KPTM is a Fox affiliate and KXVO is affiliated with WB. Through its affiliation with WB, Station KXVO has brought a fifth national network to the Omaha television market. KXVO uses the KPTM news staff to air local news updates once each evening during prime time, and anticipates that it will begin airing its own newscasts within the year. The station also recently aired three one-hour forums during prime time involving Congressional and mayoral candidates and has plans for more such programming. Moreover, due to its affiliation with WB, KXVO airs a significant amount of children's and family programming, including FCC-friendly children's programming. In addition to its diversity and programming benefits, the efficiencies of operation created through the LMA enabled Station KXVO to become profitable within the first 90 days of going on the air despite the hiring of 12 new employees. *See* Comments of Pappas in MM Docket No. 91-221 (filed February 7, 1997), pp. 11-12.

[26] *See* Nielsen's *Viewers and Profile Report; Code Report*, July, 1995 - February, 1997.

[27] With respect to the commentors views that the non-attribution of LMAs would
(continued...)

Furthermore, the Commission must recognize that, for attribution purposes, there is little substantive difference between an LMA and a network affiliation agreement. In essence, both agreements involve the provision of programming and the sale of advertising time. Although the programmer under an affiliation agreement generally is providing its programming to its affiliated station from outside the local market, whereas an LMA broker typically is located either within or near the brokered station's market, the physical location of the programmer should not make any difference in determining whether the programming and sales agreement should be attributable.

To the extent there is a distinction between network affiliation agreements and LMAs, the potential to exert control and/or influence over a station's programming is substantially greater under an affiliation agreement than an LMA. First, there is no Commission rule limiting the amount of time that networks may provide under an affiliation agreement. Moreover, the provisions regarding the preemption of network programming and related penalty provisions in a standard network affiliation agreement are substantially more restrictive than those found in an LMA. More importantly, however, an established network such as NBC (owned by the conglomerate General Electric), which owns powerful VHF stations in major markets throughout the country, and now is providing cable programming via its CNBC and MSNBC networks, has a much greater grip over its affiliates than a small broadcaster like Pappas could ever attain under an LMA. Therefore, because

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[27](...continued)
continue to allow increased control and influence over television stations by group owners, Pappas wishes to make clear that it has not in any way abandoned its licensee responsibilities concerning Station WASV-TV, Asheville. Indeed, Pappas approved of the location of the new tower before filing an application to move to the new site, and the new transmitter was ordered in accordance with Pappas' specifications. Pappas also negotiated the purchase of most of WASV-TV's syndicated programming, and was solely responsible for negotiating the affiliation agreement with WB. Thus, the suggestion that Pappas has relinquished control of either the programming, personnel, or finances of Station WASV-TV strains all credulity.

the fundamental indicia of network affiliation agreements and LMAs are identical, and national networks are in a position to potentially exert much greater influence over their affiliates' programming than an LMA timebroker, the Commission's proposal to treat LMAs as cognizable interests must apply, *a fortiori*, to network affiliation agreements.

In enacting the Telecommunications Act of 1996, Congress recognized the substantial public interest benefits provided by LMAs. Section 202(g) of the Act provides that nothing therein "shall be construed to prohibit the origination, continuation, or *renewal* of any television local marketing agreement that is in compliance with the rules of the Commission" (emphasis added). Moreover, the Conference Report states that the Act "*grandfathers LMAs currently in existence upon enactment of this legislation.*" H. Rep. No. 458, 104th Cong. 2d Sess. 163 (1996) (emphasis added). The conferees noted the public interest benefits of existing LMAs, and that Congress' intent was to make sure the public was not deprived of those benefits from LMAs that were in compliance with FCC regulations "on the date of enactment." *Id.*

By proposing to limit the transferability of LMAs, the Commission has interpreted the above language as requiring only that it allow existing LMAs to continue for the remainder of their current term. The FCC's narrow interpretation, however, which has been adopted by several commentors, wholly ignores Congress' use of the term "renewal" in Section 202(g). The Commission's interpretation also is inconsistent with the intent of Congress, expressed in the Conference Report, that LMAs which were in compliance with the Commission's rules on the date of enactment of the Act should not be disrupted.

The record in this proceeding -- as well as that in the companion rulemaking proceeding regarding the local television ownership rules[28] -- establishes that LMAs have provided substantial public interest benefits in many markets.[29] Those stations which have made substantial investments in improving the facilities and programming of a brokered station they program under an LMA should not have their investments terminated. Indeed, in many cases, these broadcasters' decisions to expend such funds were based on the assumption that their LMAs would remain in place for the full term of their agreement, including any renewal term, and possibly beyond. If the Commission were to begin treating LMAs as attributable interests without substantially relaxing its television duopoly rule, it would hinder competition and impose a grave injustice upon those broadcasters who have expended substantial sums in reliance upon the Commission's previous position. Therefore, in the event the Commission elects to treat LMAs as attributable interests, it must (i) substantially relax its television duopoly rule and/or create an express exception for LMAs; and (ii) grandfather all existing LMAs, and permit their renewal and transfer without limitation.

III. Conclusion

The attribution rules and policies governing television LMAs that the FCC has adopted over the years have served the public interest well. There is no evidence of a pattern of abusive *de facto* ownership arrangements warranting broad new restrictions on a key funding lifeline for broadcast operators. The Commission should embrace the fine regulatory work it has accomplished and

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[28] *See Second Further Notice of Proposed Rule Making* in MM Docket Nos. 91-221 and 87-8 (released November 7, 1996).

[29] *See, e.g.*, Pappas at 8-10; Comments of Pappas Stations Partnership, MM Docket No. 91-221 (filed February 7, 1997), pp. 11-14; Comments of the National Association of Broadcasters, MM Docket No. 91-221 (filed February 7, 1997), pp. 19-20.

continue to follow the rules and related procedures it has established in accordance with its experience. The record in this proceeding provides no basis for abruptly departing from the Commission's firmly-established attribution and LMA policies.

As demonstrated herein, the proposed "equity or debt plus" attribution rule should not be adopted. That rule is over-inclusive and would prohibit passive investors from holding nonattributable interests. The proposed rule also would preclude the substantial public interest benefits provided by LMAs. Furthermore, it would greatly restrict the flow of capital to broadcast entities, and have a substantial adverse effect on diversity, competition, and the conversion to digital television.

Nevertheless, in the event the Commission elects to adopt its proposed attribution rule, existing financial arrangements must be grandfathered to prevent the grave injustice that would be visited upon those licensees who would be forced to restructure their financial arrangements or potentially lose their station. Moreover, for the reasons stated herein, the Commission should not regard LMAs as attributable media interests without substantially relaxing its television duopoly rule, and/or adopting an exception to the duopoly rule for LMAs. The Commission also should grandfather all existing LMAs and permit their renewal and transfer without limitation.

Respectfully submitted,

PAPPAS STATIONS PARTNERSHIP

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March 21, 1997

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